WILLIAMS COMPANIES INC

Form 4 March 19, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

OMB 3235-0287 Number: January 31,

2005 Estimated average

burden hours per response... 0.5

Expires:

Check this box if no longer subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction

1. Name and Address of Reporting Person *

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

(Print or Type Responses)

1(b).

ARMSTRONG ALAN S Issuer Symbol WILLIAMS COMPANIES INC (Check all applicable) [WMB] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner _X__ Officer (give title _ Other (specify (Month/Day/Year) below) 03/17/2008

2. Issuer Name and Ticker or Trading

ONE WILLIAMS CENTER

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person

Sr. Vice President - Midstream

5. Relationship of Reporting Person(s) to

TULSA, OK 74172

(C:+-)

(City)	(State)	Table	e I - Non-D	erivative S	Securi	ties Acqu	ired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	(A) or			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock (1)	03/17/2008		M	Amount 24,971	(D)	Price \$ 32.27	36,910	D	
Common Stock (1)	03/17/2008		F	10,476	D	\$ 32.27	26,434	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	Secur Acque or D	urities uired (A) isposed of ex. 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units (2)	\$ 32.27	03/17/2008		M		24,971	03/17/2008	03/17/2008	Common Stock	24,971

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

ARMSTRONG ALAN S ONE WILLIAMS CENTER TULSA, OK 74172

Sr. Vice President - Midstream

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Alan S. Armstrong

03/19/2008

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Payout of Restricted Stock Units (formerly referred to as Deferred Stock) in transaction exempt under Rules 16b-3(d) and 16b-6(b) of 24,971 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 10,476 shares were withheld
- Vesting was subject to applicable grant agreement and compensation committee certification that the Company met the three year (2) performance measure. The specific performance measure was an improvement in the Company's Economic Value Added over the three year period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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